

SENATE BILL 431

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2004 Regular Session
4r2127
CF 4r2128

By: ~~Senators Lawlah, Forehand, Haines, and McFadden~~ Senator Lawlah
(Joint Committee on the Management of Public Funds)

Introduced and read first time: February 5, 2004

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 16, 2004

CHAPTER _____

1 AN ACT concerning

2 **State Treasury - Undeliverable Checks Fund**

3 FOR the purpose of removing a certain limit on the reissuance of undeliverable
4 checks; clarifying when an undeliverable check may be returned to its source or
5 transferred to other accounts; reducing the time period for retaining certain
6 money in the Undeliverable Checks Fund; clarifying the circumstances under
7 which the money in the Fund may be transferred to the General Fund; providing
8 that undeliverable checks credited to the Fund are not subject to certain
9 statutes regarding abandoned property; and generally relating to the
10 Undeliverable Checks Fund.

11 BY repealing and reenacting, with amendments,
12 Article - State Finance and Procurement
13 Section 7-229
14 Annotated Code of Maryland
15 (2001 Replacement Volume and 2003 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - State Finance and Procurement**

19 7-229.

20 (a) In this section, "Fund" means the Undeliverable Checks Fund.

21 (b) There is an Undeliverable Checks Fund.

1 (c) If a check that the Treasurer, the Chief Deputy Treasurer, or a deputy
2 treasurer issues is returned to the Comptroller as undeliverable, the Comptroller:

3 (1) shall keep the check for a period of not more than 30 days;

4 (2) during that period, shall try diligently to find the correct address of
5 the payee and to deliver the check; and

6 (3) if unable to deliver the check during that period, shall send the check
7 to the Treasurer.

8 (d) Whenever the Comptroller returns a check as undeliverable, the Treasurer
9 shall:

10 (1) cancel the check; and

11 (2) [ask] REQUEST the Comptroller to[:

12 (i) certify the amount of the check; and

13 (ii) credit that amount] CREDIT THE AMOUNT OF THE CANCELED
14 CHECK to the Fund.

15 (e) [(1) Subject to the limitation in paragraph (2) of this subsection, on] ON a
16 warrant charged against the Fund, the Treasurer, the Chief Deputy Treasurer, or a
17 deputy treasurer may issue a check to replace a check canceled under this section.

18 [(2) A check may not be issued to replace a check that has not been
19 claimed within 7 years after the date of issue.]

20 (f) [On a warrant charged against the Fund,] AS REQUIRED BY STATE OR
21 FEDERAL LAW, OR AS CONSIDERED PROPER BY THE TREASURER, the Treasurer, the
22 Chief Deputy Treasurer, or a deputy treasurer shall:

23 (1) ON A WARRANT CHARGED AGAINST THE FUND, disburse to the
24 original source any money in the Fund [that federal or State law requires]
25 REQUIRED to be returned to the source; [or that the Treasurer considers proper to
26 return to the source]; OR

27 (2) REQUEST THE COMPTROLLER TO TRANSFER ANY MONEY IN THE
28 FUND TO ANOTHER FUND OR ACCOUNT.

29 (g) At the end of each fiscal year, the Treasurer:

30 (1) shall identify the checks that have been credited to the Fund AND
31 REMAIN UNCLAIMED for [7] 2 years; [and]

32 (2) [subject to subsection (f) of this section, shall obtain a warrant to
33 transfer the amount of those checks to the General Fund of the State] DETERMINE A
34 REASONABLE BALANCE TO RETAIN IN THE FUND THAT WILL BE NEEDED TO HONOR

1 EACH REPLACEMENT CHECK THAT MAY BE ISSUED ON A WARRANT CHARGED
2 AGAINST THE FUND; AND

3 (3) REQUEST THE COMPTROLLER TO TRANSFER THE BALANCE IN THE
4 FUND, AFTER SUBTRACTION OF THE AMOUNT DETERMINED AS PROVIDED IN ITEM (2)
5 OF THIS SUBSECTION, TO THE GENERAL FUND OF THE STATE.

6 (H) UNDELIVERABLE CHECKS CREDITED TO THE FUND ARE NOT SUBJECT TO
7 TITLE 17 OF THE COMMERCIAL LAW ARTICLE.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 October 1, 2004.